

## Message Text

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ORIGIN IO-14

INFO OCT-01 EB-11 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

AF-10 ARA-16 EA-11 EUR-25 NEA-10 ABF-01 OMB-01 TAR-02

AGR-20 AID-20 COME-00 LAB-06 OIC-04 SIL-01 STR-08

TRSE-00 CIEP-02 CEA-02 ADP-00 /233 R

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FM SECSTATE WASHDC

TO USMISSION GENEVA

AMEMBASSY ADDIS ABABA

AMEMBASSY SANTIAGO

AMEMBASSY VIENNA

AMEMBASSY BANGKOK

INFO USMISSION USUN NEW YORK

UNCLAS STATE 171220

E.O. 11652: N/A

SUBJECT:GENERAL ASSEMBLY:1974-75 UN BUDGET

1. THE GENERAL ASSEMBLY WILL BE CONSIDERING SECRETARY-  
GENERAL'S BUDGET ESTIMATES FOR THE BIENNIUM 1974-75 IN NEW  
PROGRAM BUDGET FORMAT. THE POSTS AND DEPARTMENTAL OFFICERS  
HAVE ALREADY PARTICIPATED IN MEETINGS IN UNCTAD, UNIDO,  
ECAFE, ECLA AND ECE THAT REVIEWED THE PROGRAMS AND BUDGETS,  
AND QUESTIONS AND CONCLUSIONS FROM THESE MEETINGS WILL BE  
INCORPORATED IN U.S. POSITIONS PREPARED FOR THE FIFTH COM-  
MITTEE OF THE GENERAL ASSEMBLY. ECOSOC ALSO HAS GIVEN A  
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CURSORY REVIEW OF BUDGET AND PROGRAMS. WE WOULD APPRECIATE  
ADDITIONAL COMMENTS POSTS CAN MAKE ON BUDGET SUBMISSIONS OF

THESE ORGANIZATIONS WHICH WE ASSUME ARE AVAILABLE FROM THE SECRETARIATS. IN PARTICULAR, WE ARE INTERESTED IN ANY NEW INSIGHTS ON REASONS FOR INCREASES IN THE BUDGET, AND WHAT PROPORTIONS ARE DUE TO CAUSES LIKE INFLATION AND CHANGES IN EXCHANGE RATES. PROPOSED INCREASES IN NUMBER OF POSITIONS, OF COURSE, DESERVE SPECIAL ATTENTION. WE WOULD ALSO APPRECIATE COMMENTSON POSSIBLE PROGRAMS OF LOW PRIORITY AND MEETINGS THAT COULD BE SHORTENED OR ELIMINATED AND OTHER SAVINGS THAT ARE PRACTICABLE.

2. WE HAVE JUST RECEIVED A COPY OF THE ACABQ ANALYSIS OF THE UN BUDGET ESTIMATES. WOULD BE HELPFUL TO HAVE COMMENTS ON MAJOR POINTS LISTED BELOW COVERED IN ACABQ ANALYSIS.

POST COMMENTS ARE NEEDED BY SEPTEMBER 4.

A. ECAFE: REQUEST FOR 1974-75 IS DOLS 10,892,000, COMPARED WITH ACTUAL 1972-73 APPROPRIATION OF DOLS 9,419,000. INCREASE OF 15.6 PERCENT IS LARGELY ATTRIBUTED TO HIGHER PRICES AND WAGES, WITH OTHER EXPLANATIONS BEING SMALL INCREASE IN STAFF AND TRAVEL. PERSONNEL INCREASES PROPOSED BY ECAFE FOR 1974 WOULD BE CHIEFLY FOR NEW ENVIRONMENT DIVISION AND THOSE FOR 1975 FOR INTERNATIONAL TRADE AND DEVELOPMENT PROGRAM. COMMITTEE NOTES, HOWEVER, THERE NOW 31 VACANCIES OUT OF 161 PROFESSIONAL ECAFE POSTS AND EXPLAINS COMMISSION RELIES HEAVILY ON SHORT-TERM APPOINTMENTS AS RESULT DIFFICULTIES IN FILLING PERMANENT VACANCIES. COMMITTEE RECOMMENDS THAT IF THIS SITUATION CONTINUES, ECAFE POSITIONS SHOULD BE REDUCED WITH CORRESPONDING INCREASE IN PROVISION FOR TEMPORARY ASSIGNMENTS. COMMITTEE ALSO RECOMMENDS THAT ABOVE PERSONNEL INCREASES, WHICH TOTAL 13, BE DECREASED TO FIVE. URGES FURTHER EFFORT TO GET GOVERNMENTS WHICH HOST ECAFE MEETINGS TO MAKE MAXIMUM CONTRIBUTION TO EXPENSES.

B. ECLA: REQUEST FOR 1974-75 IS DOLS 13,170,000, AS COMPARED WITH 1972-73 APPROPRIATION OF DOLS 10,697,000. COMMITTEE RECOMMENDS FORMER FIGURE BE CUT TO DOLS 12,300,000. EXPLAINS THAT ABOUT HALF OF INCREASE BASED ON UNCLASSIFIED  
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HIGHER PRICES AND WAGES, BUT QUESTIONS BASIS FOR THIS. COMMENTS ECLA BUDGET ESTIMATES PREPARED AT TIME WHEN RISE IN COST OF LIVING HAD OUTSTRIPPED RISE IN ESCUDO-DOLLAR RATE OF EXCHANGE, BUT SAYS THAT TEMPORARY DEVIATION HAS NOW BEEN REVERSED BY ESCUDO DEVALUATIONS. CONCLUDES INCREASE IN PRICES AND WAGES SHOULD BE BASED ON THIS LATTER, LONG-RANGE TREND, RATHER THAN ON EARLIER, SHORT-RUN LACK OF BALANCE. IN SECOND AREA, COMMITTEE REPORTS ECLA WANTS 25 NEW POSITIONS IN 1974-75, BUT GIVES ALMOST NO EXPLANATION FOR REQUEST. THUS, COMMITTEE RECOMMENDS INCREASE OF

ONLY 11. IN EXPLANATION OF PROPOSED REDUCTION, COMMITTEE RECOMMENDS HARD LOOK AT WORK OF REGIONAL OFFICES, ESPECIALLY THAT IN WASHINGTON. ALSO WANTS TIGHTER CONTROL OVER AMOUNT OF DOCUMENTATION. FINALLY FAVORS POLICY REVIEW OF FUTURE STATUS OF DOCUMENTATION AND RESEARCH CENTER, FOR WHICH NINE ADDITIONAL POSTS REQUESTED. NOTES NETHERLANDS CONTRIBUTION OF DOLS 500,000 FOR CONSTRUCTION OF CENTER BUILDING IS NOW INADEQUATE.

C. ECE:

1) ACABQ RECOMMENDS THAT ECE REQUEST FOR FOUR-

TEEN NEW POSITIONS (EIGHT PROFESSIONAL AND SIX GENERAL SERVICE) FOR 1974-75 BIENNIUM BE REDUCED TO SEVEN (ONE P-5, ONE P-4, ONE P-3, ONE P-2, AND THREE GENERAL SERVICE). MAKES NO RECOMMENDATION ON DISTRIBUTION OF REDUCTIONS AMONG VARIOUS DIVISIONS OF SECRETARIAT.

2) ACABQ RECOMMENDS REDUCTION OF DOLS 5,000 IN ECE REQUESTED GENERAL TEMPORARY ASSISTANCE FOR BIENNIUM (FROM DOLS 36,000); DOLS 35,000 REDUCTION IN CONSULTANTS (FROM DOLS 187,000); DOLS 15,000 REDUCTION IN TRAVEL (FROM DOLS 110,000).

D. ECA: ACABQ RECOMMENDS ECA REQUEST FOR SEVENTEEN NEW POSTS (EIGHT PROFESSIONAL, NINE LOCAL LEVEL) FOR BIENNIUM BE REDUCED TO EIGHT (ONE P-5, TWO P-4, AND ONE P-2/1 PLUS FOUR LOCAL LEVEL). COMMITTEE NOTES TRADITIONAL ECA DIFFICULTY IN FILLING ALL ITS PROFESSIONAL POSTS AND THAT AS OF APRIL 1, 1973 ONE SUCH POST IN FIVE UNCLASSIFIED  
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WAS VACANT. NOTES THAT BUDGET ESTIMATES PROVIDE LITTLE INFORMATION AS TO EFFECT OF THESE VACANCIES ON IMPLEMENTATION OF WORK PROGRAM FOR 1971/72 AND THAT COMMITTEE HAD INSUFFICIENT INFORMATION TO JUDGE WHETHER ECA COULD EXECUTE ITS PROGRAMS IF EXISTING VACANCIES WERE FILLED, AND IF NOT, HOW MANY NEW POSTS SHOULD BE ADDED.

E. UNIDO:

MAIN THRUST OF ACABQ DRAFT REPORT IS THAT SUBSTANTIAL UNIDO BUDGET INCREASE (EXCEEDS COMBINED 1972-1973 APPROPRIATIONS BY 29.5 PERCENT) PRIMARILY BASED ON PROPOSED STAFF INCREASES (11 PERCENT ABOVE 1973 MANNING TABLES) AND REFLECTS OVERESTIMATION OF EXPANSION OF UNDP-FUNDED OPERATIONAL PROGRAM. ACABQ ASSERTS THAT PROJECTED EXPANSION BASED ON COUNTRY PROGRAMS IS RISKY AT THIS STAGE, THAT CONSIDERABLE PORTION OF DOLLAR GROWTH OF UNDP PROGRAM WILL BE ABSORBED BY HIGHER COSTS, AND GROWTH IN

INDUSTRY PROJECTS WILL NOT ALL GO TO UNIDO (ACABQ POINTS OUT THAT ONLY 46 PERCENT OF UNDP INDUSTRY PROJECTS IN 1972 EXECUTED BY UNIDO). ON BASIS OF ABOVE EVALUATION ACABQ HAS RECOMMENDED CUTS THROUGHOUT 1974-1975 PROGRAM/ BUDGET AMOUNTING TO DOLS 1,273,000. (THIS FIGURE INCLUDES REDUCTION, WITH WHICH WE DISAGREE, OF ABOUT DOLS 13,000 FOR UPGRADING DEPUTY POST.)

MAJOR RECOMMENDATIONS INCLUDE: REDUCTION OF ADDITIONAL PROGRAM PERSONNEL REQUESTED FROM 78 POSTS TO 43 AND CUT IN REQUESTS FOR TEMPORARY ASSISTANCE BY DOLS 400,000, COMMUNICATIONS BY DOLS 100,000 AND DOCUMENTATION

BY DOLS 25,000, ALL FOR THE BIENNIUM.

WOULD APPRECIATE MISSION'S COMMENTS ON ABOVE AND ON UNIDO EXECUTIVE DIRECTOR'S ASSERTION TO PC II THAT 1974-1975 BUDGET ESTIMATES NOT SUFFICIENT TO COVER ALL NEEDS OF PROGRAM AND RECENT FURTHER ADJUSTMENTS IN DOLLAR EXCHANGE RATE.

F. UNCTAD:  
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UNCTAD SECRETARY-GENERAL ESTIMATES ADDITIONAL STAFF ACCOUNTS FOR AN INCREASE OF 2.5 PERCENT IN FIRST YEAR OF BIENNIUM (ABOUT ONE-SIXTH OF INCREASE FOR THAT YEAR) AND 1.2 PERCENT IN SECOND (ONE-NINTH OF TOTAL INCREASE. THIS IS IN LINE WITH OVERALL UN BUDGET INCREASE, BUT UNCTAD ESTIMATES WERE MADE NINE MONTHS AGO BEFORE MOST RECENT DEPRECIATION OF DOLLAR AND INCREASES IN GENEVA COSTS SO APPEARS DOUBTFUL BUDGET IN FACT WILL FINANCE SUCH AN INCREASE. ABOUT 91 PERCENT OF UNCTAD BUDGET INCREASE FOR BIENNIUM DUE TO CURRENCY REALIGNMENTS AND INFLATION. ACABQ NOTES THAT 18 POSTS WHICH WERE TO BE PROVIDED FOR IN A LUMP-SUM TEMPORARY ASSISTANCE CREDIT, ESPECIALLY APPROVED BY THE GENERAL ASSEMBLY TO IMPLEMENT RESOLUTIONS OF UNCTAD III, ARE CONVERTED TO ESTABLISHED POSTS. IT NOTES THAT THIS CREDIT WAS ACTUALLY SUFFICIENT TO FUND 12 POSTS (SIX PROFESSIONAL AND SIX GENERAL SERVICE) WHEREAS SECRETARY-GENERAL IS REQUESTING CONVERSION OF 18 POSTS (12 PROFESSIONAL AND SIX GENERAL SERVICE). IT SEES A NET ADDITION OF AT LEAST SIX PROFESSIONAL MAN-YEARS TO UNCTAD AND RECOMMENDS AGAINST THIS INCREASE.

IT ALSO NOTES THERE WAS AN EXCEPTIONAL AMOUNT OF TRAVEL IN 1972 FOR UNCTAD III, AND DOES NOT SUPPORT FURTHER INCREASE OF 10 PERCENT IN TRAVEL COSTS (TABLE 12-2), WHICH ACABQ VIEWS AS 45 PERCENT INCREASE ON TRUE

COMPARATIVE BASIS. IT RECOMMENDS DOLS 75,000 CUT. IT  
ALSO RECOMMENDS A VIGOROUS EFFORT TO LIMIT LENGTH OF  
DOCUMENTS AND A REDUCTION OF DOLS 40,000 IN THIS ITEM.  
IT ALSO NOTED THAT SOME ASPECTS OF TRANSFER OF TECHNOLOGY  
(PARAGRAPH 14.130 TO 14.142 OF MEDIUM-TERM PLAN CHAPTER  
IV) HAVE LITTLE BEARING ON UNCTAD'S BASIC MANDATE TO PRO-  
MOTE INTERNATIONAL TRADE AND QUESTIONS IF SUBJECT CAN BE  
DEALT WITH IN MORE COHERENT WAY. RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
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**Current Classification:** UNCLASSIFIED  
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